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Congress of the United States House of Representatives

SELECT COMMITTEE ON THE CHINESE COMMUNIST PARTY

548 Cannon House Office Building Washington, D.C. 20515 (202) 225-6002

November 29, 2023

The Honorable Lloyd Austin Secretary U.S. Department of Defense 1400 Defense Pentagon Washington, DC 20301

The Honorable Gina Raimondo Secretary U.S. Department of Commerce 1401 Constitution Ave. NW Washington, DC 20230 The Honorable Janet Yellen, Secretary Department of the Treasury 799 9th St SW Washington, DC 20001 RAJA KRISHNAMOORTHI, ILLINOIS

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Dear Secretary Austin, Secretary Yellen, and Secretary Raimondo,

We are writing to urge the Department of Commerce, the Department of Defense (DoD), and the Department of Treasury to investigate People's Republic of China (PRC)-headquartered drone manufacturer Autel Robotics (深圳市道通智能航空技术股份有限公司), as well as its apparent U.S. subsidiary Autel Robotics USA LLC, for inclusion on the Commerce Entity List, the DoD Chinese Military Companies List, and the Treasury Non-SDN Chinese Military Industrial Complex Companies List (NS-CMIC List).¹ Autel is openly affiliated with the People's Liberation Army (PLA) and poses a direct threat to U.S. national security as local law enforcement and state and local governments are purchasing and operating Autel drones, potentially exposing sensitive data across the country.² Moreover, Autel has leveraged state-

https://web.archive.org/web/20220421113203/https://www.autelrobotics.com/page/about.html.

https://www.usaspending.gov/award/CONT_AWD_1305M321PNWWP0409_1330_-NONE-_-NONE-accessed.

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¹ "About Us," *Autel Robotics*, Accessed October 5, 2023,

² 凤凰网广东, "感谢有你! 拥军企业慷慨送无人机, 光明街道致谢赠红锦旗," *ifeng*, April 29, 2022, http://web.archive.org/web/20230922160138/https://ishare.ifeng.com/c/s/v002LKSfe1hVmPwho--RPNsHKKyXCNPNY9OY6jxkteHzplu8__; Eric Holdeman, "What Brand of Drone Are Public Safety Organizations Flying," *government technology*, August 10, 2021 https://www.govtech.com/em/emergency-blogs/disaster-zone/what-brand-of-drone-are-public-safety-organizations-flying; "Purchase Order (PO) PIID 12639520P0387," *USA Spending*, Accessed October 6, 2023,

backed subsidies to undercut global market prices, with founder Li Hongjing (李红京) describing government support as "indispensable oxygen" to his company's operations.³

Autel and its affiliates present themselves as a commercial-oriented business, but Chinese-language web postings reveal that the company is an active PLA supplier, as indicated by Autel job ads recruiting for a "military industry sales director," while also publicly working alongside a PLA militia. In March 2023, Autel also touted its participation at the "National Defense Equipment and Aerospace Exhibition" in Xi'an, a defense-related convention that included displays of military and defense electronics equipment and capabilities, with the slogan of "defense technology, intelligent manufacturing and win-win."

In recent years, Autel Robotics has gone to great lengths to muddy its history and to brand itself as a U.S. company. Its current form, Autel Robotics USA LLC, was established in 2017, and touts itself as a "family-owned business," with the United States as the firm's "single most important market." However, Autel obfuscates the fact that it was previously a subsidiary of the PRC's Autel Intelligent Technology Corp (深圳市 道通科技股份有限公司), a company listed on one of China's National Defense and Military Industry Hybrid Securities Investment Funds (易方达国防军工混合型证券投资基金).8 Recent ventures for Autel have included the issuing of new products and drones marketed as "aircraft manufactured in the USA with foreign and domestic parts and labor." Closer inspection reveals that Autel's supposedly "made in USA" drone is comprised of microchips and components from PRC technology companies ZTE and HiSilicon, the latter of which was added to the Commerce Entity List in 2019. ¹⁰

³ 东方财富网,"南山连续创业者"遇风发芽",道通智能称将布局无人机全生态:"September 20, 2022. https://web.archive.org/web/20230922194144/https://caifuhao.eastmoney.com/news/20220920183804704643700. ⁴ 深圳市道通智能航空技术股份有限公司, '军工行业销售总监 工资', *jobui*, accessed September 18, 2023, http://web.archive.org/web/20230918154758/https://www.jobui.com/company/17087134/salary/j/jungongxingyexiao shouzongjian/.

⁵ 凤凰网广东,"感谢有你! 拥军企业慷慨送无人机,光明街道致谢赠红锦旗,"*ifeng*, April 29, 2022, http://web.archive.org/web/20230922160138/https://ishare.ifeng.com/c/s/v002LKSfe1hVmPwho--RPNsHKKyXCNPNY9OY6jxkteHzplu8.__

⁶ 道通智能, "国防科技,智造共赢! 道通智能即将亮相西安军工装备及航空航天展, YouUAV, March 3, 2023, http://web.archive.org/web/20230918155612/https://www.youuav.com/news/detail/202303/55572.html

⁷ Ishyacon Singh, "Hayy Autal Polyetics bergs to shore the future of drope industry," Durwe D. Language 15, 2022

⁷ Ishveena Singh, "How Autel Robotics hopes to shape the future of drone industry," *DroneDJ*, January 15, 2022, https://dronedj.com/2022/01/15/autel-robotics-interview-maxwell-lee/.

⁸ 易方达国防军工混合型证券投资基金, DFCFW, June 30, 2021,

http://pdf.dfcfw.com/pdf/H2 AN202107201504925375 1.pdf.

⁹ "AUTEL EVO II: NOW MADE IN THE USA," *Measur*, Accessed October 5, 2023, https://drones.measurusa.com/blogs/news/autel-evo-ii-now-made-in-the-usa.

¹⁰ MC2409A EVO 2 Teardown Internal Photos Autel Robotics, FCC ID.io, Accessed September 18, 2023, https://fccid.io/2AGNTMC2409A/Internal-Photos/Internal-Photos-4528188; Bureau of Industry and Security, Department of Commerce. May 21, 2019. "Addition of Entities to the Entity List." https://www.federalregister.gov/documents/2019/05/21/2019-10616/addition-of-entities-to-the-entity-list.

Finally, we are concerned that Autel's technology has been leveraged by PRC public security officials to conduct surveillance operations throughout the country and that Autel maintains operations in the Xinjiang Uyghur Autonomous Region, the base of the Chinese Communist Party's (CCP) genocidal repression against Uyghurs and other ethnic minority groups. Autel's own website advertises nine authorized dealers across Xinjiang, including firms operating in the surveillance industry. Autel has publicly taken part in PRC police exhibitions and openly participated in the China-Asia-Europe Security Expo hosted in Xinjiang, which included exhibitions centered on security and police equipment. Beyond these actions, Autel further appears to be potentially supporting Russia's ongoing invasion of Ukraine. Recent reports have found that Autel drones are being marketed in Russia under the name *Patriot*, while the company itself continues to assert full compliance with relevant export control laws.

For these reasons, we request your agencies investigate whether Autel meets the requirements for designation to the aforementioned lists. Furthermore, if your agency determines that Autel does not meet the relevant designation criteria, we request that your agency brief the Select Committee on the justification for its determination.

The House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party has broad authority to "investigate and submit policy recommendations on the status of the Chinese Communist Party's economic, technological, and security progress and its competition with the United States" under H. Res. 11.

To make arrangements to deliver a response, please contact Select Committee staff at (202) 226-9678. We appreciate in advance your timely response to this important matter.

Sincerely,

Mike Gallagher Chairman Raja Krishnamoorthi Ranking Member

¹¹ 经销商, Autel Robotics, accessed September 18, 2023,

http://web.archive.org/web/20230929172818/https://www.autelrobotics.cn/page/agent.html.

^{12 &}quot;赋能公共安全,道通智能空地一体数字化警务解决方案亮相第 11 届警博会," *China Daily*, May 15, 2023,

http://web.archive.org/web/20230929174630/https://caijing.chinadaily.com.cn/a/202305/15/WS6461a855a31053798 9374185.html; IT 专家网, "推动安防智慧化转型,道通智能无人机亮相第九届中国-亚欧安防博览会," *ifeng*, August 31, 2023, http://web.archive.org/web/20230922155928/https://tech.ifeng.com/c/8ShPSiH5UuI.

¹³ Ishveena Singh, "Autel decries military use of drones, doesn't deny Russian rebranding," *DroneDJ*, June 27, 2023, https://dronedj.com/2023/06/27/autel-drone-russia-rebranding-patriot/.

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